



Department of Energy

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Mr. Robert Heck, Vice President
Oversight & Program Integration
Fluor Daniel Fernald, Inc.
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DOE-0809-99

Dear Mr. Heck:

ISSUES ON SCHEDULES AND MILESTONES

During the last six months, the Department of Energy, Fernald Environmental Management Project (DOE-FEMP) has had several discussions with your staff centered around the November 20, 1998, letter to you on the topics of schedules, milestones, and project control. As a result of these further discussions, the clarification of definition related to schedule levels and milestone levels has been re-reviewed and a revised path forward has been established.

Enclosed for documentation purposes is the path forward related to milestones and schedules that we have agreed to for implementation.

Please contact Wayne Pasko at 648-3134 if you have any questions.

Sincerely,

Johnny W. Reising
Associate Director
Environmental Management

FEMP:Pasko

Enclosure

cc w/enclosure:

J. Reising, OH/FEMP
M. Kuntz, FDF/MS51
AR Coordinator, FDF/78

cc w/o enclosure:

A. Tanner, OH/FEMP

ISSUES ON SCHEDULES AND MILESTONES

- References:
1. DOE Good Practice Guides, DOE G 430.1-1, Chapter 12, "The Schedule," dated March 28, 1997
 2. DOE Notice, N 430.1, "Energy Systems Acquisition Advisory Board," dated October 28, 1997

A project's major milestones in DOE are called Key Decision (KD) points. They are the decision at which review at Headquarters is performed to determine when funds are required and the status of the project. It is the point at which a project can be rebaselined (discussed in Reference 1). The key decisions are the following:

- KD-0 Approval of Mission Need (i.e., funding to start a CDR or RI/FS)
- KD-1 Approval of New Start (i.e., funding to start Title 1)
- KD-2 Approval to Commence Title II, or Final/Detailed Design
- KD-3 Approval to Commence Construction (or D&D)
- KD-4 Approval to Commence Operation/Production

These key decision points are applied to major projects. The FEMP is a project which is also part of the Closure Account. Key Decision Points 2, 3, and 4 are now decision points for the field to streamline the process.

At the FEMP, the Operable Units (OU) and the sub-projects that make up the OUs are at various stages within the key decision definitions. The use or application of the key decision process can still be applied, on a graded scale, to the sub-projects in the Project Baseline Summaries (PBS) in order to properly manage and to provide oversight.

Oversight and application of an Energy Systems Acquisition Advisory Board (ESAAB) type process (Reference 2) shall be the Level 3 Change Control Board. The Level 3 Change Control Board will review at the key decision points the status, cost estimate, schedule, and latest budget estimates to completion. Additional criteria and guidelines for what should be in a critical decision request are provided in DOE Good Practice Guide, GPG-FM-002 (see Internet page, www.fm.doe.gov/fm-20/guides.htm). These criteria should be used for all projects as a basis for adopting a graded approach at the FEMP.

At a key decision point, the project may be rebaselined (i.e., there is no value in carrying a variance from the design work into the construction work or the construction variance into the operations work); this follows the key decision point format. The variance analysis will determine the performance of the contractor for specific periods of work performance.

The definition of Level 0, Level 1, and Level 2 milestones shall be revised as follows:

- Level 0 Milestone:** The singular milestone for the FEMP project that defines the completion of the project. This milestone is under the Baseline Change Control of EM-1.
- Level 1 Milestones:** The milestones for the FEMP PBS that defines the end point of that PBS. Also, included in Level 1 are the EM-1 High Visibility Milestones identified in the annual DOE-OH Strategic Plan (this year there are five). These milestones are under the Baseline Change Control of EM-40.
- Level 2 Milestones:** The EPA enforceable agreement milestones that can result in fines and penalties, and milestones on projects deemed appropriate by the DOE Team Leaders and the Associate Director for EM that meets the definition of Key Decisions. These milestones are under the Baseline Change Control of the DOE-FEMP Director.

Schedule levels are different from milestone levels. The schedules are represented as bar charts and do not document all of the specific milestones associated with the projects. The definition of the Level 0, Level 1, and Level 2 schedules shall be revised as follows:

- Level 0 Schedule:** This schedule is a summary of the duration of the overall FEMP. The level-of-effort activities will not be shown.
- Level 1 Schedule:** This schedule is a summary of the duration of each PBS. The level-of-effort activities will not be shown.
- Level 2 Schedule:** This schedule is for the site critical activities for each PBS. It also includes some "hammock" or "bridging" activities between PBSs. The level-of-effort activities will not be shown.
- Level 3 Schedule:** This schedule is for the site charge numbers. The use of this schedule is primarily for DOE Project Managers. The level-of-effort Charge Numbers will not be shown.